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September 8, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ROBERT J. AAMOTH

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VIA COURIER

Ms. Magalie R. Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *Ex Parte Presentation in the UNE Remand
Proceeding, CC Docket No. 96-98*

Dear Ms. Salas:

On September 7, 1999, Marcy Greene and the undersigned attorney, on behalf of Excel Communications, Inc. ("Excel"), held meetings with Dorothy Attwood in Chairman Kennard's Office and Kyle Dixon in Commissioner Powell's Office regarding the above-referenced proceeding. Excel discussed the matters on the attached hand-out and discussed points raised in its comments and reply comments in this proceeding. In general, Excel showed that it would be impaired from providing local services to its existing and prospective customer base – comprised primarily of low-volume residential subscribers dispersed throughout all regions of the United States – unless it has unrestricted access throughout the country to unbundled network element combinations, including loops, transport and switching. Further, Excel showed that the Commission should adopt rules and policies enabling new entrants to obtain unrestricted access to extended loops from incumbent local exchange carriers either as an unbundled network element or as a combination of unbundled network elements.

An original and one copy of this notice is provided.

Sincerely,


Robert J. Aamoth

Enclosures

cc: Dorothy Attwood
Kyle Dixon

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**FCC Restoration of an Inclusive List of Mandatory UNEs Is
Essential to the Development of Viable Local Competition,
Especially for Residential and Small Business Consumers**

- Excel is the nation's fourth-largest long distance carrier, and its customer base is **predominantly** residential/small business. (*Attachment 1*). Excel **must** be able to provide competitive local service to this existing customer base. The core of our business plan is to serve residential and rural customers, and to do so employing UNE combinations, including local switching.
- Excel is in a much different position than other CLECs. We already have a customer base that is dispersed among geographic regions across all states. (*Attachment 1*). Further, this is a primarily low-volume customer base. This is the established customer base we must be able to serve as a CLEC.
- Excel initially formulated a local business plan that entailed local service resale, but abandoned it upon recognizing that avoided-cost resale would not allow us to provide local service profitably.
- If the Commission reinstates a full complement of mandatory UNEs on a uniform national basis, Excel will enter the market broadly across the U.S. to serve residential and other low-volume subscribers. Conversely, if the Commission fails to mandate the availability of a full range of UNEs in combinations, Excel will find it extremely difficult to provide competitive local service to most of our customers in the near future.

- *Excel is quite possibly the FCC's best hope for fulfilling the Telecom Act goal of bringing local competition to residential subscribers on a broad scale, because of our unique residential/small business customer base.*
- Excel needs the local switching UNE everywhere, all the time. Excel may or may not eventually deploy its own switches in customer-dense areas. **But** the Commission must recognize that it is not feasible for Excel to deploy many switches, if any at all. Even in the largest MSAs, even in the highest density COs, Excel may not have enough customers to justify deploying its own switch. And there are no real alternatives. The mere fact that CLECs in the aggregate have deployed large numbers of switches does not mean there are alternatives to ILEC local switching. CLEC switches typically are concentrated in urban areas and will not be available to other CLECs on a wholesale basis.
- It is critical that the FCC re-adopt a uniform national list of UNEs. From a business perspective, broadly-based local entry is far more difficult if UNE rules vary among the states.

Attachment 1

FCC Statistics of Communications Common Carriers
(1997-98 ed.), Table 1.8

STATISTICS OF COMMUNICATIONS COMMON CARRIERS

TABLE 1.8 - MARKET SHARES OF PRESUBSCRIBED TELEPHONE LINES BY STATE AS OF DECEMBER 31, 1996
[DATA NOT AVAILABLE BEYOND THIS DATE]

STATE	NUMBER OF TELEPHONE COMPANIES	MARKET SHARE						TOTAL LINES
	LONG DISTANCE*	AT&T	MCI	SPRINT	WORLD COM	EXCEL	OTHER CARRIERS	
ALABAMA	68	67.1 %	13.0 %	4.0 %	3.6 %	3.9 %	8.3 %	2,233,362
ALASKA	2	0.0	0.0	0.0	0.0	0.0	100.0	355,185
ARIZONA	95	59.8	14.4	8.9	4.6	2.7	9.6	2,414,612
ARKANSAS	64	67.2	11.4	5.5	4.2	4.7	7.0	1,288,457
CALIFORNIA	100	61.7	16.4	9.0	2.6	2.4	7.9	19,805,310
COLORADO	96	56.1	17.0	8.9	4.2	3.1	10.6	2,381,182
CONNECTICUT	65	38.8	11.3	5.3	1.8	0.8	42.0	2,035,573
DELAWARE	70	66.4	16.5	6.3	1.4	1.1	8.4	466,472
DISTRICT OF COLUMBIA	24	67.9	17.7	6.8	2.3	0.0	5.3	771,630
FLORIDA	154	66.2	12.2	8.0	3.3	2.9	7.3	9,571,502
GEORGIA	108	64.3	14.4	8.4	2.7	3.1	7.2	4,275,402
HAWAII	31	56.5	13.9	18.5	0.4	3.8	7.0	615,282
IDAHO	56	58.5	13.2	6.2	4.5	5.8	11.8	612,755
ILLINOIS	108	66.4	13.6	7.4	2.7	1.9	8.0	7,442,595
INDIANA	83	67.9	13.0	6.5	3.1	2.9	6.6	3,122,167
IOWA	67	61.8	16.5	5.3	5.3	2.8	8.2	1,495,265
KANSAS	72	61.9	13.0	10.9	2.9	3.3	7.9	1,486,305
KENTUCKY	81	67.2	12.6	4.3	4.3	4.6	7.0	1,897,585
LOUISIANA	97	63.2	13.3	4.4	6.3	2.5	10.4	2,265,805
MAINE	61	71.3	11.6	6.6	1.5	2.0	7.1	754,875
MARYLAND	30	64.6	18.8	7.4	1.9	0.0	7.3	3,052,065
MASSACHUSETTS	91	70.5	13.0	8.7	1.9	0.7	5.2	4,151,815
MICHIGAN	88	62.7	14.5	6.2	2.3	3.0	11.2	5,703,055
MINNESOTA	78	58.5	19.8	5.8	2.6	2.9	10.4	2,729,585
MISSISSIPPI	66	65.9	14.0	3.7	4.7	3.2	7.5	1,244,745
MISSOURI	90	62.5	12.9	10.6	3.6	2.9	7.4	3,064,125
MONTANA	51	64.0	11.6	6.2	2.5	4.9	10.7	481,665
NEBRASKA	57	59.2	14.1	6.4	4.3	3.2	12.7	927,925
NEVADA	52	58.6	13.3	14.8	3.0	3.2	7.1	1,074,105
NEW HAMPSHIRE	65	71.1	11.3	8.2	1.7	0.9	6.8	752,765
NEW JERSEY	113	71.2	14.3	5.1	2.0	1.0	6.4	5,776,495
NEW MEXICO	66	59.8	16.1	7.6	4.4	3.8	8.4	814,165
NEW YORK	128	64.3	14.2	9.0	1.9	0.9	9.6	11,562,375
NORTH CAROLINA	73	63.8	11.5	10.2	2.5	3.9	8.1	4,166,615
NORTH DAKOTA	49	59.4	15.3	4.4	6.0	3.8	10.2	354,245
OHIO	75	63.1	14.0	7.3	2.8	2.3	10.5	6,227,645
OKLAHOMA	88	63.0	12.4	6.5	3.7	4.4	10.0	1,822,825
OREGON	77	64.0	11.3	9.0	5.0	2.8	7.9	1,847,315
PENNSYLVANIA	112	65.1	14.3	6.4	1.7	1.6	10.0	7,119,665
RHODE ISLAND	63	72.1	12.0	7.5	2.0	1.1	5.3	602,315
SOUTH CAROLINA	63	60.3	14.9	5.3	2.9	4.9	11.6	1,962,005
SOUTH DAKOTA	50	61.0	15.0	4.6	4.0	4.8	10.7	385,065
TENNESSEE	106	67.3	13.3	6.3	3.9	3.2	6.0	3,071,815
TEXAS	159	58.5	15.8	7.7	3.2	2.9	11.9	10,678,455
UTAH	68	58.1	14.6	7.4	4.0	3.9	12.0	984,555
VERMONT	51	67.7	12.5	7.1	2.1	1.1	9.5	365,415
VIRGINIA	58	61.9	20.6	8.3	2.3	0.9	6.0	3,765,315
WASHINGTON	86	59.8	13.8	10.1	3.6	3.4	9.4	3,270,115
WEST VIRGINIA	32	69.7	15.5	4.7	2.6	0.4	7.2	846,315
WISCONSIN	79	64.2	14.7	5.7	2.4	2.4	10.7	3,057,715
WYOMING	45	66.9	12.7	6.1	4.0	3.6	6.8	274,315
UNITED STATES	616	63.3	14.5	7.6	2.9	2.4	9.3	157,428,315
N. MARIANA ISL.	3	0.0	71.3	0.0	0.0	0.0	28.7	20,915
PUERTO RICO	9	41.1	10.6	4.0	0.0	0.0	44.4	1,166,715
VIRGIN ISLANDS	5	70.8	0.0	10.3	0.0	0.0	18.9	56,215
GRAND TOTAL	621	63.1 %	14.5 %	7.6 %	2.8 %	2.4 %	9.6 %	158,672,215

Source: Industry Analysis Division, "Distribution of Equal Access Lines and Presubscribed Lines," released November 1997.

*The estimate for the number of long distance carriers serving a state equals the number of long distance carriers from the local study area with the maximum number of long distance carriers.